

Article 16.

County Service Districts; County Research and Production Service Districts; County Economic Development and Training Districts.

Part 1. County Service Districts.

§ 153A-300. Title; effective date.

This Article may be cited as "The County Service District Act of 1973," and is enacted pursuant to Article V, Sec. 2(4) of the Constitution of North Carolina, effective July 1, 1973. (1973, c. 489, s. 1; c. 822, s. 2.)

§ 153A-301. Purposes for which districts may be established.

(a) The board of commissioners of any county may define any number of service districts in order to finance, provide, or maintain for the districts one or more of the following services, facilities and functions in addition to or to a greater extent than those financed, provided or maintained for the entire county:

- (1) Beach erosion control and flood and hurricane protection works.
- (2) Fire protection.
- (3) Recreation.
- (4) Sewage collection and disposal systems of all types, including septic tank systems or other on-site collection or disposal facilities or systems.
- (5) Solid waste collection and disposal systems.
- (6) Water supply and distribution systems.
- (7) Ambulance and rescue.
- (8) Watershed improvement projects, including but not limited to watershed improvement projects as defined in Chapter 139 of the General Statutes; drainage projects, including but not limited to the drainage projects provided for by Chapter 156 of the General Statutes; and water resources development projects, including but not limited to the federal water resources development projects provided for by Article 21 of Chapter 143 of the General Statutes.
- (9) Cemeteries.
- (10) Law enforcement if all of the following apply:
 - a. The population of the county is (i) over 900,000 according to the most recent federal decennial census, and (ii) less than ten percent (10%) of the population of the county is in an unincorporated area according to the most recent federal decennial census.
 - b. The county has an interlocal agreement or agreements with a municipality or municipalities for the provision of law enforcement services in the unincorporated area of the county.
 - c. Repealed by Session Laws 2008-134, s. 76(c), effective July 28, 2008.
- (11) Services permitted under Article 24 of this Chapter if the district is subject to G.S. 153A-472.1.

(b) The General Assembly finds that coastal-area counties have a special problem with lack of maintenance of platted rights-of-way, resulting in ungraded sand travelways deviating from the original rights-of-way and encroaching on private property, and such cartways exhibit poor drainage and are blocked by junk automobiles.

(c) To address the problem described in subsection (b), the board of commissioners of any coastal-area county as defined by G.S. 113A-103(2) may define any number of service districts in order to finance, provide, or maintain for the districts one or more of the following services, facilities and functions in addition to or to a greater extent than those financed, provided or maintained for the entire county:

- (1) Removal of junk automobiles; and
- (2) Street maintenance.

(d) The board of commissioners of a county that contains a protected mountain ridge, as defined by G.S. 113A-206(6), may define any number of service districts, composed of subdivision lots within one or more contiguous subdivisions that are served by common public roads, to finance for the district the maintenance of such public roads that are either located in the district or provide access to some or all lots in the district from a State road, where some portion of those roads is not subject to compliance with the minimum standards of the Board of Transportation set forth in G.S. 136-102.6. The service district or districts created shall include only subdivision lots within the subdivision, and one or more additional contiguous subdivisions, where the property owners' association, whose purpose is to represent these subdivision lots, agrees to be included in the service district. For subdivision lots in an additional contiguous subdivision or for other adjacent or contiguous property to be annexed according to G.S. 153A-303, the property owners' association representing the subdivision or property to be annexed must approve the annexation. For the purposes of this subsection: (i) "subdivision lots" are defined as either separate tracts appearing of record upon a recorded plat, or other lots, building sites, or divisions of land for sale or building development for residential purposes; and (ii) "public roads" are defined as roads that are in actual open use as public vehicular areas, or dedicated or offered for dedication to the public use as a road, highway, street, or avenue, by a deed, grant, map, or plat, and that have been constructed and are in use by the public, but that are not currently being maintained by any public authority.

(e) The board of commissioners of a county that adjoins or contains a lake, river, or tributary of a river or lake that has an identified noxious aquatic weed problem may define any number of noxious aquatic weed control service districts composed of property that is contiguous to the water or that provides direct access to the water through a shared, certified access site to the water. As used in this subsection, the term "noxious aquatic weed" is any plant organism identified by the Secretary of Environmental Quality under G.S. 113A-222 or regulated as a plant pest by the Commissioner of Agriculture under Article 36 of Chapter 106 of the General Statutes. (1973, c. 489, s. 1; c. 822, s. 2; c. 1375; 1979, c. 595, s. 1; c. 619, s. 6; 1983 (Reg. Sess., 1984), c. 1078, s. 1; 1989, c. 620; 1993, c. 378, s. 1; 1995, c. 354, s. 1; c. 434, s. 1; 1997-456, s. 24; 2005-433, s. 10(b); 2005-440, s. 1; 2008-134, s. 76(c); 2011-100, s. 1; 2015-241, s. 14.30(v).)

§ 153A-302. Definition of service districts.

(a) Standards. – In determining whether to establish a proposed service district, the board of commissioners shall consider all of the following:

- (1) The resident or seasonal population and population density of the proposed district.
- (2) The appraised value of property subject to taxation in the proposed district.
- (3) The present tax rates of the county and any cities or special districts in which the district or any portion thereof is located.
- (4) The ability of the proposed district to sustain the additional taxes necessary to provide the services planned for the district.
- (5) If it is proposed to furnish water, sewer, or solid waste collection services in the district, the probable net revenues of the projects to be financed and the extent to which the services will be self-supporting.
- (6) Any other matters that the commissioners believe to have a bearing on whether the district should be established.

(a1) Findings. – The board of commissioners may establish a service district if, upon the information and evidence it receives, the board finds that all of the following apply:

- (1) There is a demonstrable need for providing in the district one or more of the services listed in G.S. 153A-301.
- (2) It is impossible or impracticable to provide those services on a countywide basis.
- (3) It is economically feasible to provide the proposed services in the district without unreasonable or burdensome annual tax levies.
- (4) There is a demonstrable demand for the proposed services by persons residing in the district.

Territory lying within the corporate limits of a city or sanitary district may not be included unless the governing body of the city or sanitary district agrees by resolution to such inclusion.

(b) Report. – Before the public hearing required by subsection (c), the board of commissioners shall cause to be prepared a report containing:

- (1) A map of the proposed district, showing its proposed boundaries;
- (2) A statement showing that the proposed district meets the standards set out in subsection (a); and
- (3) A plan for providing one or more of the services listed in G.S. 153A-301 to the district.

The report shall be available for public inspection in the office of the clerk to the board for at least four weeks before the date of the public hearing.

(c) Hearing and Notice. – The board of commissioners shall hold a public hearing before adopting any resolution defining a new service district under this section. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a map of the proposed district and a statement that the report required by subsection (b) is available for public inspection in the office of the clerk to the board. The notice shall be published at least once not less than one week before the date of the hearing. In addition, it shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the proposed district. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed and his certificate is conclusive in the absence of fraud.

(d) Effective Date. – The resolution defining a service district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board of commissioners.

(e) Exceptions For Countywide District. – The following requirements do not apply to a board of commissioners that proposes to create a law enforcement service district pursuant to G.S. 153A-301(a)(10) that covers the entire unincorporated area of the county:

- (1) The requirement that the district cannot be created unless the board makes the finding in subdivision (a1)(2) of this section.
- (2) The requirement in subsection (c) of this section to notify each property owner by mail, if the board publishes a notice of its proposal to establish the district, once a week for four successive weeks before the date of the hearing required by that subsection.

(f) Exceptions for Article 24 District. – The following requirements do not apply to a board of commissioners that proposes to create a service district pursuant to G.S. 153A-301(a)(11) that covers the entire unincorporated area of the county:

- (1) The requirement that the district cannot be created unless the board makes the finding in subdivision (a1)(2) of this section.
- (2) The requirement in subsection (c) of this section to notify each property owner by mail, if the board publishes a notice of its proposal to establish the district, once a week for two successive weeks before the date of the hearing required by that subsection. (1973, c. 489, s. 1; c. 822, s. 2; 1981, c. 53, s. 1; 1995, c. 354, s. 2; 2005-433, s. 10(c).)

§ 153A-303. Extension of service districts.

(a) Standards. – The board of commissioners may by resolution annex territory to any service district upon finding that:

- (1) The area to be annexed is contiguous to the district, with at least one eighth of the area's aggregate external boundary coincident with the existing boundary of the district; and
- (2) That the area to be annexed requires the services of the district.

(b) Annexation by Petition. – The board of commissioners may also by resolution extend by annexation the boundaries of any service district when one hundred percent (100%) of the real property owners of the area to be annexed have petitioned the board for annexation to the service district.

(c) Territory lying within the corporate limits of a city or sanitary district may not be annexed to a service district unless the governing body of the city or sanitary district agrees by resolution to such annexation.

(d) Report. – Before the public hearing required by subsection (e), the board shall cause to be prepared a report containing:

- (1) A map of the service district and the adjacent territory, showing the present and proposed boundaries of the district;
- (2) A statement showing that the area to be annexed meets the standards and requirements of subsections (a), (b), and (c); and
- (3) A plan for extending services to the area to be annexed.

The report shall be available for public inspection in the office of the clerk to the board for at least two weeks before the date of the public hearing.

(e) Hearing and Notice. – The board shall hold a public hearing before adopting any resolution extending the boundaries of a service district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (d) is available for inspection in the office of the clerk to the board. The notice shall be published at least once not less than one week before the date of the hearing. In addition, the notice shall be mailed at least four weeks before the date of the hearing to the owners as shown by the county tax records as of the preceding January 1 of all property located within the area to be annexed. The notice may be mailed by any class of U.S. mail which is fully prepaid. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(f) Effective Date. – The resolution extending the boundaries of the district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board. (1973, c. 489, s. 1; c. 822, s. 2; 1981, c. 53, s. 2.)

§ 153A-303.1. Removal of territory from service districts.

(a) Standards. – A board of commissioners may by resolution remove territory from a service district upon finding that:

- (1) One hundred percent (100%) of the owners of real property in the territory to be removed have petitioned for removal.
- (2) The territory to be removed no longer requires the services, facilities, or functions financed, provided, or maintained for the district.
- (3) The service district was created only to provide the services listed in G.S. 153A-301(a)(4) or G.S. 153A-301(a)(6) or both.
- (4) The service district does not have any obligation or expense related to the issuance of bonds.

(b) Report. – Before the public hearing required by subsection (c) of this section, the board shall cause to be prepared a report containing:

- (1) A map of the district highlighting the territory proposed to be removed, showing the present and proposed boundaries of the district; and
- (2) A statement showing that the territory to be removed meets the standards and requirements of subsection (a) of this section.

The report shall be available for public inspection in the office of the clerk to the board for at least 10 days before the date of the public hearing.

(c) Hearing and Notice. – The board shall hold a public hearing before adopting any resolution reducing the boundaries of a district. Notice of the hearing shall state the date, hour, and place of the hearing and its subject and shall include a statement that the report required by subsection (b) of this section is available for inspection in the office of the clerk to the board. The notice shall be published at least once not less than seven days before the hearing. In addition, the notice shall be mailed at least two weeks before the date of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the territory to be removed. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and the certificate shall be conclusive in the absence of fraud.

(d) Effective Date. – The resolution reducing the boundaries of the district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board. (2013-402, s. 1.)

§ 153A-304. Consolidation of service districts.

(a) The board of commissioners may by resolution consolidate two or more service districts upon finding that:

- (1) The districts are contiguous or are in a continuous boundary;
- (2) The services provided in each of the districts are substantially the same; or
- (3) If the services provided are lower for one of the districts, there is a need to increase those services for that district to the level of that enjoyed by the other districts.

(b) Report. – Before the public hearing required by subsection (c), the board of commissioners shall cause to be prepared a report containing:

- (1) A map of the districts to be consolidated;
- (2) A statement showing the proposed consolidation meets the standards of subsection (a); and
- (3) If necessary, a plan for increasing the services for one of the districts so that they are substantially the same throughout the consolidated district.

The report shall be available in the office of the clerk to the board for at least two weeks before the public hearing.

(c) Hearing and Notice. – The board of commissioners shall hold a public hearing before adopting any resolution consolidating service districts. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) is available for inspection in the office of the clerk to the board. The notice shall be published at least once not less than one week before the date of the hearing. In addition, the notice shall be mailed at least four weeks before the hearing to the owners as shown by the county tax records as of the preceding January 1 of all property located within the consolidated district. The notice may be mailed by any class of U.S. mail which is fully prepaid. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(d) Effective Date. – The consolidation of service districts shall take effect at the beginning of a fiscal year commencing after passage of the resolution of consolidation, as determined by the board. (1973, c. 489, s. 1; c. 822, s. 2; 1981, c. 53, s. 2.)

§ 153A-304.1. Reduction in district after annexation.

(a) When the whole or any portion of a county service district organized for fire protection purposes under G.S. 153A-301(2) has been annexed by a municipality furnishing fire protection to its citizens, and the municipality had not agreed to allow territory within it to be within the county service district under G.S. 153A-302(a), then such county service district or the portion thereof so annexed shall immediately thereupon cease to be a county service district or a portion of a county service district; and such district or portion thereof so annexed shall no longer be subject to G.S. 153A-307 authorizing the board of county commissioners to levy and collect a tax in such district for the purpose of furnishing fire protection therein.

(b) Nothing in this section prevents the board of county commissioners from levying and collecting taxes for fire protection in the remaining portion of a county service district not annexed by a municipality.

(c) When all or part of a county service district is annexed, and the effective date of the annexation is a date other than a date in the month of June, the amount of the county service district tax levied on property in the district for the fiscal year in which municipal taxes are prorated under G.S. 160A-58.10 shall be multiplied by the following fraction: the denominator shall be 12 and the numerator shall be the number of full calendar months remaining in the fiscal year following the day on which the annexation becomes effective. For each owner, the product of the multiplication is the prorated fire protection payment. The finance officer of the city shall obtain from the assessor or tax collector of the county where the annexed territory was located a list of the owners of property on which fire protection district taxes were levied in the territory being annexed, and the city shall, no later than 90 days after the effective date of the annexation, pay the amount of the prorated fire protection district payment to the owners of that property. Such payments shall come from any funds not otherwise restricted by law.

(d) Whenever a city is required to make fire protection district tax payments by subsection (c) of this section, and the city has paid or has contracted to pay to a rural fire department funds under G.S. 160A-58.57, the county shall pay to the city from funds of the county service district an amount equal to the amount paid by the city (or to be paid by the city) to a rural fire department under G.S. 160A-58.57 on account of annexation of territory in the county service district for the number of months in that fiscal year used in calculating the numerator under subsection (c) of this section; provided that the required payments by the county to the city shall not exceed the total of fire protection district payments made to taxpayers in the district on account of that annexation. (1987, c. 711, s. 1; 2008-134, s. 76(b); 2017-102, s. 14.4(b).)

§ 153A-304.2. Reduction in district after annexation to Chapter 69 fire district.

(a) When the whole or any portion of a county service district organized for fire protection purposes under G.S. 153A-301(2) has been annexed into a fire protection district created under Chapter 69 of the General Statutes, then such county service district or the portion thereof so annexed shall immediately thereupon cease to be a county service district or a portion of a county service district; and such district or portion thereof so annexed shall no longer be subject to G.S. 153A-307 authorizing the board of county commissioners to levy and collect a tax in such district for the purpose of furnishing fire protection therein.

(b) Nothing in this section prevents the board of county commissioners from levying and collecting taxes for fire protection in the remaining portion of a county service district not annexed into a fire protection district. This section does not affect the rights or liabilities of the county, a taxpayer, or other person concerning taxes previously levied. (1989, c. 622.)

§ 153A-304.3. Changes in adjoining service districts.

(a) Changes. – The board of county commissioners may by resolution relocate the boundary lines between adjoining county service districts if the districts were established for substantially similar purposes. The boundary lines may be changed in accordance with a petition

from landowners or may be changed in any manner the board deems appropriate. Upon receipt of a request to change service district boundaries, the board of county commissioners shall set a date and time for a public hearing on the request prior to taking action on the request.

(b) Report. – Before the public hearing required by subsection (a) of this section, the board of county commissioners shall cause to be prepared a report containing all of the following:

- (1) A map of the service district and the adjacent territory showing the current and proposed boundaries of the district.
- (2) A statement indicating that the proposed boundary relocation meets the requirements of subsection (a) of this section.
- (3) A plan for providing service to the area affected by the relocation of district boundaries.
- (4) The effect that the changes in the amount of taxable property will have on the ability of the district to provide services or to service any debt.

The report shall be available for public inspection in the office of the clerk of the board for at least two weeks before the date of the public hearing.

(c) Notice and Hearing. – The board shall hold a public hearing before adopting any resolution relocating the boundaries of a service district. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) of this section is available for inspection in the office of the clerk to the board. The notice shall be published at least once not less than one week before the date of the hearing.

(d) Effective Date. – The resolution changing the boundaries of the districts shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board. (2005-136, s. 1.)

§ 153A-304.4. Reduction in law enforcement service district after annexation.

When any portion of a county law enforcement service district organized under G.S. 153A-301(10) is annexed by a municipality, and the effective date of the annexation is a date other than a date in the month of June, the amount of the county law enforcement service district tax levied on each parcel of real property in the district for the fiscal year in which municipal taxes are prorated under G.S. 160A-58.10 shall be multiplied by the following fraction: the denominator shall be 12 and the numerator shall be the number of full calendar months remaining in the fiscal year following the day on which the annexation becomes effective. For each parcel of real property in the portion of the district that is annexed, the product of the multiplication is the amount of the law enforcement service district tax to be refunded if the taxes have been paid, or released if the taxes have not been paid. The finance officer of the county shall obtain from the assessor or tax collector of the county a list of the owners of the real property on which law enforcement service district taxes were levied in the territory annexed, and the county shall pay the refund amount, if applicable, to the owner as shown on the records of the tax assessor of the real property as of the January 1 immediately preceding the date of the refund. Refund payments shall come from any funds not otherwise restricted by law. (2008-134, s. 76(a).)

§ 153A-305. Required provision or maintenance of services.

(a) New District. – When a county defines a new service district, it shall provide, maintain, or let contracts for the services for which the residents of the district are being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the district.

(b) Extended District. – When a county annexes territory to a service district, it shall provide, maintain, or let contracts for the services provided or maintained throughout the district to the residents of the area annexed to the district within a reasonable time, not to exceed one year, after the effective date of the annexation.

(c) Consolidated District. – When a county consolidates two or more service districts, one of which has had provided or maintained a lower level of services, it shall increase the services within that district (or let contracts therefor) to a level comparable to those provided or maintained elsewhere in the consolidated district within a reasonable time, not to exceed one year, after the effective date of the consolidation. (1973, c. 489, s. 1; c. 822, s. 2.)

§ 153A-306. Abolition of service districts.

Upon finding that there is no longer a need for a particular service district and that there are no outstanding bonds or notes issued to finance projects in the district, the board of commissioners may by resolution abolish that district. The board shall hold a public hearing before adopting a resolution abolishing a district. Notice of the hearing shall state the date, hour and place of the hearing, and its subject, and shall be published at least once not less than one week before the date of the hearing. The abolition of any service district shall take effect at the end of a fiscal year following passage of the resolution, as determined by the board. (1973, c. 489, s. 1; c. 822, s. 2.)

§ 153A-307. Taxes authorized; rate limitation.

A county may levy property taxes within defined service districts in addition to those levied throughout the county, in order to finance, provide or maintain for the districts services provided therein in addition to or to a greater extent than those financed, provided or maintained for the entire county. In addition, a county may allocate to a service district any other revenues whose use is not otherwise restricted by law.

Property subject to taxation in a newly established district or in an area annexed to an existing district is that subject to taxation by the county as of the preceding January 1.

Property taxes may not be levied within any district established pursuant to this Article in excess of a rate on each one hundred dollars (\$100.00) value of property subject to taxation which, when added to the rate levied countywide for purposes subject to the rate limitation, would exceed the rate limitation established in G.S. 153A-149(c), unless the portion of the rate in excess of this limitation is submitted to and approved by a majority of the qualified voters residing within the district. Any referendum held pursuant to this paragraph shall be held and conducted as provided in G.S. 153A-149. (1973, c. 489, s. 1; c. 822, s. 2.)

§ 153A-308. Bonds authorized.

A county may issue its general obligation bonds under the Local Government Bond Act to finance services, facilities, or functions provided within a service district. If a proposed bond issue is required by law to be submitted to and approved by the voters of the county, and if the proceeds of the proposed bond issue are to be used in connection with a service that is or, if the bond issue is approved, will be provided only for one or more service districts or at a higher level in service districts than countywide, the proposed bond issue must be approved concurrently by a majority of those voting throughout the entire county and by a majority of the total of those voting in all of the affected or to-be-affected service districts. (1973, c. 489, s. 1; c. 822, s. 2.)

§ 153A-309. EMS services in fire protection districts.

(a) If a service district is established under this Article for fire protection purposes under G.S. 153A-301(2), (including a district established with a rate limitation under G.S. 153A-309.2), and it was not also established under this Article for ambulance and rescue purposes under G.S. 153A-301(7), the board of county commissioners may, by resolution, permit the service district to provide emergency medical, rescue, and/or ambulance services, and may levy property taxes for such purposes under G.S. 153A-307, but if the district was established under G.S. 153A-309.2, the rate limitation established under that section shall continue to apply.

(b) The resolution expanding the purposes of the district under this section shall take effect at the beginning of a fiscal year commencing after its passage. (1983, c. 642; 1989, c. 559.)

§ 153A-309.1. Reserved for future codification purposes.

§ 153A-309.2. Rate limitation in certain districts – Alternative procedure for fire protection service districts.

(a) In connection with the establishment of a service district for fire protection as provided by G.S. 153A-301(2) [G.S. 153A-301(a)(2)], if the board of commissioners adopts a resolution within 90 days prior to the public hearing required by G.S. 153A-302(c) but prior to the first publication of notice required by subsection (b) of this section, which resolution states that property taxes within a district may not be levied in excess of a rate of fifteen cents (15¢) on each one hundred dollars (\$100.00) of property subject to taxation, then property taxes may not be levied in that service district in excess of that rate.

(b) Whenever a service district is established under this section, instead of the procedures for hearing and notice under G.S. 153A-302(c), the board of commissioners shall hold a public hearing before adopting any resolution defining a new service district under this section. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a map of the proposed district and a statement that the report required by G.S. 153A-302(b) is available for public inspection in the office of the clerk to the board. The notice shall be published at least twice, with one publication not less than two weeks before the hearing, and the other publication on some other day not less than two weeks before the hearing. (1985, c. 724.)

§ 153A-309.3. Rate limitation in certain districts – Fire protection service districts for industrial property.

(a) Any area in a service district for fire protection established pursuant to G.S. 153A-301(a)(2) may be removed from that district by resolution of the county board of commissioners and a new service district simultaneously created for the area so removed if the area is an industrial facility (and appurtenant land and structures):

- (1) Subject to a contract not to annex by a municipality under which the owner of the industrial property is obligated to make payments in lieu of taxes equal to or in excess of fifty percent (50%) of the taxes such industry would pay if it were annexed and is current in making such payments.
- (2) Actively served by an industrial fire brigade which meets the standards of the National Fire Protection Association and the requirements of the North Carolina Occupational Safety and Health Standards for General Industry (Title 29 Code of Federal Regulations Part 1910 incorporated by reference in 13 NCAC 07F.0101) for industrial fire brigades.

(b) Prior to removing such area from the service district and simultaneously creating a new district of that same area, the board shall hold a public hearing. Notice of the hearing shall state the date, hour, and place of the hearing and its subject. The notice shall be published at least once not less than one week before the date of the hearing. In addition, the notice shall be mailed at least two weeks before the date of the hearing to the owners as shown by the county tax records as of the preceding January 1 of all property located within the area to be removed and a new district created. The notice may be mailed by any class of U.S. mail which is fully prepaid. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(c) In any district created under this section from area removed from an existing district, the county may not levy or collect property taxes for the purpose of financing fire protection pursuant to this Article in excess of a rate of three and one-half cents (3.5¢) on each one hundred dollars (\$100.00) of property valuation subject to taxation.

(d) If any district established under this section ceases to meet the tests established by subdivisions (a)(1) and (a)(2) of this section, the board of commissioners may by resolution abolish that district and annex that territory to the district from which it was removed after a public hearing under the same provisions as set out in subsection (b) of this section.

(e) Any resolutions adopted under this section become effective the first day of July following their adoption. (2005-281, s. 1.)

§ 153A-310. Rate limitation in certain districts – Alternative procedure for ambulance and rescue districts.

(a) In connection with the establishment of a service district for ambulance and rescue as provided by G.S. 153A-301(7) [G.S. 153A-301(a)(7)], if the board of commissioners adopts a resolution within 90 days prior to the public hearing required by G.S. 153A-302(c) but prior to the first publication of notice required by subsection (b) of this section, which resolution states that property taxes within a district may not be levied in excess of a rate of five cents (5¢) on each one hundred dollars (\$100.00) of property subject to taxation, then property taxes may not be levied in that service district in excess of that rate.

(b) Whenever a service district is established under this section, instead of the procedures for hearing and notice under G.S. 153A-302(c), the board of commissioners shall hold a public hearing before adopting any resolution defining a new service district under this section. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a map of the proposed district and a statement that the report required by G.S. 153A-302(b) is available for public inspection in the office of the clerk to the board. The notice shall be published at least twice, with one publication not less than two weeks before the hearing, and the other publication on some other day not less than two weeks before the hearing. (1985, c. 430, s. 1.)

Part 2. County Research and Production Service Districts and Urban Research Service Districts.

§ 153A-311. Purposes for which districts may be established.

The board of commissioners of any county may define a county research and production service district in order to finance, provide, and maintain for the district any service, facility, or function that a county or a city is authorized by general law to provide, finance, or maintain. Such a service, facility, or function shall be financed, provided, or maintained

in the district either in addition to or to a greater extent than services, facilities, or functions are financed, provided, or maintained for the entire county. (1985, c. 435, s. 1.)

§ 153A-312. Definition of research and production service district.

(a) Standards. – The board of commissioners may by resolution establish a research and production service district for any area of the county that, at the time the resolution is adopted, meets the following standards:

- (1) All (i) real property in the district is being used for or is subject to covenants that limit its use to research; or scientifically-oriented production, technology, education; or associated commercial, residential, or institutional purposes; or for other purposes specifically authorized pursuant to the terms and conditions of the covenants, or (ii) if all the real property in the district is part of a multijurisdictional industrial park that satisfies the criteria of G.S. 143B-437.08(h), all such real property in the district is subject to covenants that limit its use to research or scientifically oriented production, associated commercial or institutional purposes, or other industrial and associated commercial and institutional uses.
- (2) The district (i) contains at least 4,000 acres or (ii) satisfies the criteria of G.S. 143B-437.08(h).
- (3) The district (i) includes research and production facilities that in combination employ at least 5,000 persons or (ii) satisfies the criteria of G.S. 143B-437.08(h).
- (4) Repealed by Session Laws 2012-73, s.1, effective June 26, 2012.
- (5) A petition requesting creation of the district signed by at least fifty percent (50%) of the owners of real property in the district who own at least fifty percent (50%) of total area of the real property in the district has been presented to the board of commissioners. In determining the total area of real property in the district and the number of owners of real property, there shall be excluded (1) real property exempted from taxation and real property classified and excluded from taxation and (2) the owners of such exempted or classified and excluded property.
- (6) Repealed by Session Laws 2012-73, s.1, effective June 26, 2012.
- (7) There exists in the district an association of owners and tenants, to which at least seventy-five percent (75%) of the owners of nonresidential real property belong, which association can make the recommendations provided for in G.S. 153A-313. This subdivision shall not apply to a research and production service district that satisfies the criteria of G.S. 143B-437.08(h).
- (8) There exist deed-imposed conditions, covenants, restrictions, and reservations that apply to all real property in the district, provided that the covenants, restrictions, and reservations shall not be effective against the United States as long as it owns or leases property in the district but shall apply to any subsequent owner or lessee of such property.
- (9) No part of the district lies within the boundaries of any incorporated city or town.

The Board of Commissioners may establish a research and production service district if, upon the information and evidence it receives, the Board finds that:

- (1) The proposed district meets the standards set forth in this subsection; and
- (2) It is impossible or impracticable to provide on a countywide basis the additional or higher levels of services, facilities, or functions proposed for the district; and
- (3) It is economically feasible to provide the proposed services, facilities, or functions to the district without unreasonable or burdensome tax levies.

(a1) Additional Uses. – A developer of a research and production service district established prior to June 1, 2012, may amend the covenants that limit the use of real property in the district to include any of the following uses: research; or scientifically-oriented production, technology, education; or associated commercial, residential, or institutional purposes; or for other purposes specifically authorized pursuant to the terms and conditions of the covenants. A research and production service district is presumed to be in compliance with the standards in subsection (a) of this section if the district met the standards in subsection (a) of this section, as that subsection was enacted at the time of the establishment of the district.

(b) Multi-County Districts. – If an area that meets the standards for creation of a research and production service district lies in more than one county, the boards of commissioners of those counties may adopt concurrent resolutions establishing a district, even if that portion of the district lying in any one of the counties does not by itself meet the standards. Each of the county boards of commissioners shall follow the procedure set out in this section for creation of a district.

If a multi-county district is established, as provided in this subsection, the boards of commissioners of the counties involved shall jointly determine whether the same appraisal and assessment standards apply uniformly throughout the district, or, in the case of a multijurisdictional industrial park that satisfies the criteria of G.S. 143B-437.08(h), whether there is a current need in each participating county to levy a tax, which determination shall be made by each participating county's board of commissioners. This determination shall be set out in concurrent resolutions of the boards. If the same appraisal and assessment standards apply uniformly throughout the district, the boards of commissioners of all the counties shall levy the same rate of tax for the district, so that a uniform rate of tax is levied for district purposes throughout the district. If the boards determine that the same standards do not apply uniformly throughout the district, the boards shall agree on the extent of divergence between the counties and on the resulting adjustments of tax rates that will be necessary in order that an effectively uniform rate of tax is levied for district purposes throughout the district. In the event that one or more of the boards of commissioners in one or more of the counties participating in a multijurisdictional industrial park that satisfies the criteria of G.S. 143B-437.08(h) determines that there is no current need to levy a tax for all or part of the property meeting said requirements within its jurisdictional boundaries, then that county or those counties shall be under no obligation to do so. That county or those counties participating in a multijurisdictional industrial park that satisfies the criteria of G.S. 143B-437.08(h) that choose to levy a tax for all or part of the property meeting said requirements within its jurisdictional boundaries may do so without setting an effectively uniform rate of tax as described above, provided such rate shall not exceed the rate allowed in G.S. 143B-317(b).

The boards of commissioners of the counties establishing a multi-county district pursuant to this subsection may, by concurrent resolution, provide for the administration of services within the district by one or more counties on behalf of all the establishing counties.

(c) Report. – Before the public hearing required by subsection (d), the board of commissioners shall cause to be prepared a report containing:

- (1) A map of the proposed district, showing its proposed boundaries;
- (2) A statement showing that the proposed district meets the standards set out in subsection (a); and
- (3) A plan for providing one or more services, facilities, or functions to the district.

The report shall be available for public inspection in the office of the clerk to the board for at least four weeks before the date of the public hearing.

(d) Hearing and Notice. – The board of commissioners shall hold a public hearing before adopting any resolution defining a district under this section. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a map of the proposed district and a statement that the report required by subsection (c) is available for public inspection in the office of the clerk to the board. The notice shall be published at least once not less than one week before the date of the hearing. In addition, it shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the proposed district. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed and his certificate is conclusive in the absence of fraud.

(e) Effective Date. – The resolution defining a district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board of commissioners. (1985, c. 435, s. 1; 2009-523, s. 3(a); 2012-73, s. 1.)

§ 153A-313. Research and production service district advisory committee.

(a) The board or boards of commissioners, in the resolution establishing a research and production service district, shall also provide for an advisory committee for the district. Such a committee shall have at least 10 members, serving terms as set forth in the resolution; one member shall be the representative of the developer of the research and production park established as a research and production service district. The resolution shall provide for the appointment or designation of a chair. The board of commissioners or, in the case of a multi-county district, the boards of commissioners shall appoint the members of the advisory committee. If a multi-county district is established, the concurrent resolutions establishing the district shall provide how many members of the advisory committee are to be appointed by each board of commissioners. Before making the appointments, the appropriate board shall request the association of owners and tenants, required by G.S. 153A-312(a), to submit a list of persons to be considered for appointment to the committee; the association shall submit at least two names for each appointment to be made. Except as provided in the next two sentences, the board of commissioners shall

make the appointments to the committee from the list of persons submitted. In addition, the developer of the research and production park shall appoint one person to the advisory committee as the developer's representative on the committee. In addition, in a single county district, the board of commissioners may make two additional appointments of such other persons as the board of commissioners deems appropriate, and in a multi-county district, each board of county commissioners may make one additional appointment of such other person as that board of commissioners deems appropriate. Whenever a vacancy occurs on the committee in a position filled by appointment by the board of commissioners, the appropriate board, before filling the vacancy, shall request the association to submit the names of at least two persons to be considered for the vacancy; and the board shall fill the vacancy by appointing one of the persons so submitted, except that if the vacancy is in a position appointed by the board of commissioners under the preceding sentence of this section, the board of commissioners making that appointment shall fill the vacancy with such person as that board of commissioners deems appropriate.

Each year, before adopting the budget for the district and levying the tax for the district, the board or boards of commissioners shall request recommendations from the advisory committee as to the level of services, facilities, or functions to be provided for the district for the ensuing year. The board or boards of commissioners shall, to the extent permitted by law, expend the proceeds of any tax levied for the district in the manner recommended by the advisory committee.

(b) In the event that the research and production service district satisfies the criteria of G.S. 143B-437.08(h), the board of directors for the nonprofit corporation which owns the industrial park shall serve as the advisory committee described in subsection (a) of this section. (1985, c. 435, s. 1; 2009-523, s. 3(b); 2012-73, s. 1.)

§ 153A-314. Extension of service districts.

(a) Standards. – A board of commissioners may by resolution annex territory to a research and production service district upon finding that:

- (1) The conditions, covenants, restrictions, and reservations required by G.S. 153A-312(a)(8) that apply to all real property in the district also apply or will apply to the property to be annexed, provided that the covenants, restrictions, and reservations shall not be effective against the United States as long as it owns or leases property in the district but shall apply to any subsequent owner or lessee of such property.
- (2) One hundred percent (100%) of the owners of real property in the area to be annexed have petitioned for annexation.
- (3) The district, following the annexation, will continue to meet the standards set out in G.S. 153A-312(a).
- (4) The area to be annexed requires the services, facilities, or functions financed, provided, or maintained for the district.
- (5) The area to be annexed is contiguous to the district.

(b) Report. – Before the public hearing required by subsection (c), the board shall cause to be prepared a report containing:

- (1) A map of the district and the adjacent territory proposed to be annexed, showing the present and proposed boundaries of the district; and
- (2) A statement showing that the area to be annexed meets the standards and requirements of subsection (a) of this section.

The report shall be available for public inspection in the office of the clerk to the board for at least four weeks before the date of the public hearing.

(c) **Hearing and Notice.** – The board shall hold a public hearing before adopting any resolution extending the boundaries of a district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) of this section is available for inspection in the office of the clerk to the board. The notice shall be published at least once not less than four weeks before the hearing. In addition, the notice shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the area to be annexed. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and the certificate shall be conclusive in the absence of fraud.

(d) **Effective Date.** – The resolution extending the boundaries of the district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board. (1985, c. 435, s. 1; 2012-73, s. 1.)

§ 153A-314.1. Removal of territory from districts.

(a) **Standards.** – A board of commissioners may by resolution remove territory from a research and production service district upon finding that:

- (1) The removal has been recommended by a vote of two-thirds of the eligible votes of the owners and tenants association.
- (2) One hundred percent (100%) of the owners of real property in the territory to be removed have petitioned for removal.
- (3) The territory to be removed no longer requires the services, facilities, or functions financed, provided, or maintained for the district.

(b) **Report.** – Before the public hearing required by subsection (c) of this section, the board shall cause to be prepared a report containing:

- (1) A map of the district highlighting the territory proposed to be removed, showing the present and proposed boundaries of the district; and
- (2) A statement showing that the territory to be removed meets the standards and requirements of subsection (a) of this section.

The report shall be available for public inspection in the office of the clerk to the board for at least 10 days before the date of the public hearing.

(c) **Hearing and Notice.** – The board shall hold a public hearing before adopting any resolution reducing the boundaries of a district. Notice of the hearing shall state the date, hour, and place of the hearing and its subject and shall include a statement that the report required by subsection (b) of this section is available for inspection in the office of the clerk to the board. The notice shall be published at least once not less than seven days before the hearing. In addition, the notice shall be mailed at least two weeks before the date of the

hearing by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the territory to be removed. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and the certificate shall be conclusive in the absence of fraud.

(d) **Municipal Annexation Allowed Under General Law.** – The general law concerning annexation, Article 4A of Chapter 160A of the General Statutes, shall apply to any territory removed from the district under this section, notwithstanding any local act to the contrary.

(e) **Effective Date.** – The resolution reducing the boundaries of the district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board. (2003-187, s. 1; 2012-73, s. 1.)

§ 153A-315. Required provision or maintenance of services.

(a) **New District.** – When a county or counties define a research and production service district, it or they shall provide, maintain, or let contracts for the services for which the district is being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the district.

(b) **Extended District.** – When a territory is annexed to a research and production service district, the county or counties shall provide, maintain, or let contracts for the services provided or maintained throughout the district to property in the area annexed to the district within a reasonable time, not to exceed one year, after the effective date of the annexation. (1985, c. 435, s. 1.)

§ 153A-316. Abolition of districts.

A board or boards of county commissioners may by resolution abolish a research and production service district upon finding that (i) a petition requesting abolition, signed by at least fifty percent (50%) of the owners of nonresidential real property in the district who own at least fifty percent (50%) of the total area of nonresidential real property in the district, has been submitted to the board or boards; and (ii) there is no longer a need for such district. In determining the total area of nonresidential real property in the district and the number of owners of nonresidential real property, there shall be excluded (1) real property exempted from taxation and real property classified and excluded from taxation and (2) the owners of such exempted or classified and excluded property. The board or boards shall hold a public hearing before adopting a resolution abolishing a district. Notice of the hearing shall state the date, hour, and place of the hearing, and its subject, and shall be published at least once not less than one week before the date of the hearing. The abolition of any district shall take effect at the end of a fiscal year following passage of the resolution, as determined by the board or boards. If a multi-county district is established, it may be abolished only by concurrent resolution of the board of commissioners of each county in which the district is located. (1985, c. 435, s. 1; 2012-73, s. 1.)

§ 153A-316.1. Urban research service district (URSD).

(a) Standards. – The board of commissioners of a county may establish one or more urban research service districts ("URSD" as used in this Part) that meets the following standards:

- (1) The URSD is wholly within a county research and production service district located partly within that county.
- (2) The URSD is located wholly within that county.
- (3) The URSD is not contained within another URSD.
- (4) A petition requesting creation of the URSD signed by at least fifty percent (50%) of the owners of real property in the URSD who own at least fifty (50%) of total area of the real property in the URSD has been presented to the board of commissioners.

(b) Report. – Before the public hearing required by subsection (c) of this section, the board of commissioners shall cause to be prepared and adopted by it a report. The report shall be available for public inspection in the office of the clerk to the board for at least four weeks before the date of the public hearing. The report shall contain the following:

- (1) A map of the proposed URSD, showing its proposed boundaries.
- (2) A statement showing that the proposed URSD is for the purpose of providing urban services, facilities, or functions to a greater extent than (i) in the entire county and (ii) in the county research and production service district.
- (3) A plan for providing one or more services, facilities, or functions to the URSD.

(c) Hearing and Notice. – The board of commissioners shall hold a public hearing before adopting any resolution defining a URSD under this section. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a map of the proposed URSD and a statement that the report required by subsection (b) of this section is available for public inspection in the office of the clerk to the board. The notice shall be published at least once not less than one week before the date of the hearing. In addition, it shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail that is fully prepaid to the owners, as shown by the county tax records as of the preceding January 1, of all property located within the proposed URSD. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and the designated person's certificate is conclusive in the absence of fraud.

(d) Effective Date. – The resolution defining a URSD shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board of commissioners. (2012-73, s. 1; 2012-194, s. 62.5.)

§ 153A-316.2. URSD advisory committee.

(a) Members. – The board of commissioners, in the resolution establishing a URSD, shall also provide for an advisory committee for the URSD. The committee shall have at least 10 members, serving terms as set forth in the resolution. The resolution shall provide for the appointment or designation of a chairperson. The board of commissioners shall appoint the members of the URSD [URSD] advisory committee. Before making the appointments, the board shall request the association of owners and tenants, required by G.S. 153A-312(a), to submit a list of persons to be considered for appointment to the

committee. The association shall submit at least two names for each appointment to be made. Except as provided in subsection (b) of this section, the board of commissioners shall make the appointments to the committee from the list of persons submitted.

(b) Additional Members. – In addition to the members provided in subsection (a) of this section, the developer of the research and production park established as a research and production service district shall appoint one person to the URSD advisory committee as the developer's representative on the committee. The board of commissioners may make two additional appointments of such other persons as the board of commissioners deems appropriate.

(c) Vacancy. – Whenever a vacancy occurs on the committee in a position filled by appointment by the board of commissioners, the board, before filling the vacancy, shall request the association to submit the names of at least two persons to be considered for the vacancy, and the board shall fill the vacancy by appointing one of the persons so submitted, except that if the vacancy is in a position appointed by the board of commissioners under subsection (b) of this section, the board of commissioners making that appointment shall fill the vacancy with such person as the board of commissioners deems appropriate.

(d) Advisory Role. – Each year, before adopting the budget for the URSD and levying the tax for the URSD, the board of commissioners shall request recommendations from the URSD advisory committee as to the level of services, facilities, or functions to be provided for the URSD for the ensuing year. The board of commissioners shall, to the extent permitted by law, expend the proceeds of any tax levied for the URSD in the manner recommended by the URSD advisory committee. (2012-73, s. 1.)

§ 153A-316.3. Extension of URSD.

(a) Standards. – A board of commissioners may by resolution annex territory to a URSD upon finding that:

- (1) The conditions, covenants, restrictions, and reservations required by G.S. 153A-312(a)(8) that apply to all real property in the URSD also apply or will apply to the property to be annexed, provided that such covenants, restrictions, and reservations shall not be effective against the United States as long as it owns or leases property in the URSD but shall apply to any subsequent owner or lessee of such property.
- (2) One hundred percent (100%) of the owners of real property in the area to be annexed have petitioned for annexation.
- (3) The URSD, following the annexation, will continue to meet the standards set out in G.S. 153A-316.1(a).
- (4) The area to be annexed requires the services, facilities, or functions financed, provided, or maintained for the URSD.
- (5) The area to be annexed is contiguous to the URSD.

(b) Report. – Before the public hearing required by subsection (c) of this section, the board shall cause to be prepared a report. The report shall be available for public inspection in the office of the clerk to the board for at least four weeks before the date of the public hearing. The report shall contain the following:

- (1) A map of the URSD and the adjacent territory proposed to be annexed, showing the present and proposed boundaries of the URSD.
 - (2) A statement showing that the area to be annexed meets the standards and requirements of subsection (a) of this section.
- (c) **Hearing and Notice.** – The board shall hold a public hearing before adopting any resolution extending the boundaries of a URSD. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) of this section is available for inspection in the office of the clerk to the board. The notice shall be published at least once not less than four weeks before the hearing. In addition, the notice shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail that is fully prepaid to the owners, as shown by the county tax records as of the preceding January 1, of all property located within the area to be annexed. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and the certificate shall be conclusive in the absence of fraud.
- (d) **Effective Date.** – The resolution extending the boundaries of the URSD shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board. (2012-73, s. 1.)

§ 153A-316.4. Removal of territory from URSD.

- (a) **Standards.** – A board of commissioners may by resolution remove territory from a URSD upon finding that:
- (1) The removal has been recommended by a vote of two-thirds of the eligible voters of the owners and tenants association.
 - (2) One hundred percent (100%) of the owners of real property in the territory to be removed have petitioned for removal.
 - (3) The territory to be removed no longer requires the services, facilities, or functions financed, provided, or maintained for the URSD.
 - (4) The county has not financed any project for which taxes levied on the URSD provide debt service pursuant to G.S. 153A-317.1(c).
- (b) **Report.** – Before the public hearing required by subsection (c) of this section, the board shall cause to be prepared a report. The report shall be available for public inspection in the office of the clerk to the board for at least 10 days before the date of the public hearing. The report shall contain the following:
- (1) A map of the URSD highlighting the territory proposed to be removed, showing the present and proposed boundaries of the URSD.
 - (2) A statement showing that the territory to be removed meets the standards and requirements of subsection (a) of this section.
- (c) **Hearing and Notice.** – The board shall hold a public hearing before adopting any resolution reducing the boundaries of the URSD. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) of this section is available for inspection in the office of the clerk to the board. The notice shall be published at least once not less than seven days before the hearing. In addition, the notice shall be mailed at least two weeks before the date of the

hearing by any class of U.S. mail that is fully prepaid to the owners, as shown by the county tax records as of the preceding January 1, of all property located within the territory to be removed. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and the certificate shall be conclusive in the absence of fraud.

(d) Effective Date. – The resolution reducing the boundaries of the URSD shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the board. (2012-73, s. 1.)

§ 153A-316.5. Required provision or maintenance of services in URSD.

(a) New URSD. – When a county defines a URSD, it shall provide, maintain, or let contracts for the services for which the URSD is being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the URSD. When a county defines a URSD, it may designate the developer of the research and development park established as a research and production service district in which the URSD is located as an agent that may contract with any local government for the provision of services within the URSD.

(b) Extended URSD. – When a territory is annexed to a URSD, the county shall provide, maintain, or let contracts for the services provided or maintained throughout the URSD to property in the area annexed to the URSD within a reasonable time, not to exceed one year, after the effective date of the annexation. (2012-73, s. 1.)

§ 153A-316.6. Abolition of URSD.

A county board of commissioners may by resolution abolish a URSD upon finding that (i) a petition requesting abolition, signed by at least fifty percent (50%) of the owners of nonresidential real property in the URSD who own at least fifty percent (50%) of the total area of nonresidential real property in the URSD, has been submitted to the board or boards; (ii) there is no longer a need for such URSD; and (iii) the county has not financed any project for which there is outstanding debt serviced by tax revenues levied within the URSD. In determining the total area of nonresidential real property in the URSD and the number of owners of nonresidential real property, there shall be excluded (i) real property exempted from taxation and real property classified and excluded from taxation and (ii) the owners of such exempted or classified and excluded property. The board or boards shall hold a public hearing before adopting a resolution abolishing a URSD. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall be published at least once not less than one week before the date of the hearing. The abolition of any URSD shall take effect at the end of a fiscal year following passage of the resolution, as determined by the board. (2012-73, s. 1.)

§ 153A-317. Research and production service district taxes authorized; rate limitation.

(a) Tax Authorized. – A county, upon recommendation of the advisory committee established pursuant to G.S. 153A-313, may levy property taxes within a research and

production service district in addition to those levied throughout the county, in order to finance, provide, or maintain for the district services provided therein in addition to or to a greater extent than those financed, provided, or maintained for the entire county. In addition, a county may allocate to a district any other revenues whose use is not otherwise restricted by law. The proceeds of taxes only within a district may be expended only for services provided for the district.

Property subject to taxation in a newly established district or in an area annexed to an existing district is that subject to taxation by the county as of the preceding January 1.

(b) **Limit.** – Such additional property taxes may not be levied within any district established pursuant to this Article in excess of a rate of ten cents (10¢) on each one hundred dollars (\$100.00) value of property subject to taxation or, in the event that the research and production service district satisfies the criteria of G.S. 143B-437.08(h), such additional property taxes may not be levied within said district in excess of a rate of twenty cents (20¢) on each one hundred dollars (\$100.00) value of property subject to taxation.

(c) **Public Transportation.** – For the purpose of constructing, maintaining, or operating public transportation as defined by G.S. 153A-149(c)(27), in addition to the additional property taxes levied under subsections (a) and (b) of this section, a county, upon recommendation of the advisory committee established pursuant to G.S. 153A-313, may levy additional property taxes within any district established pursuant to this Article not in excess of a rate of ten cents (10¢) on each one hundred dollars (\$100.00) value of property subject to taxation. Such property taxes for public transportation may only be used within the district, or to provide for public transportation from the district to other public transportation systems or to other places outside the district including airports. (1985, c. 435, s. 1; 2009-523, s. 3(c); 2009-527, s. 6; 2012-73, s. 1.)

§ 153A-317.1. Urban research service district taxes authorized; rate.

(a) **Tax Authorized.** – A county, upon recommendation of the advisory committee established pursuant to G.S. 153A-316.2, may levy property taxes within a URSD in addition to those levied throughout the county, and in addition to those levied throughout the county research and production service district, in order to finance, provide, or maintain for the URSD services provided therein in addition to or to a greater extent than those financed, provided, or maintained both for the entire county and for the county research and production service district. Only those services that cities are authorized by law to provide may be provided. In addition, a county may allocate to a URSD any other revenue not otherwise restricted by law.

(b) **Rate.** – Property subject to taxation in a newly established URSD or in an area annexed to an existing URSD is that subject to taxation by the county as of the preceding January. The maximum tax rate set forth in G.S. 153A-317 shall not apply to the URSD. The additional property taxes within any URSD may not be levied in excess of the rate levied in the prior year by a city that:

- (1) Is the largest city in population that is contiguous to the county research and production service district where the URSD is located.
- (2) Is located primarily within the same county the URSD is located.

(c) Use. – The proceeds of taxes levied within a URSD may be expended only for the benefit of the URSD. The taxes levied for the URSD may be used for debt service on any debt issued by the county that is used wholly or partly for capital projects located within the URSD, but not in greater proportion than expense of projects located within the URSD bear to the entire expense of capital projects financed by that borrowing of the county. For the purpose of this subsection, "debt" includes (i) general obligation bonds and notes issued under Chapter 159 of the General Statutes, (ii) revenue bonds issued under Chapter 159 of the General Statutes, (iii) financing agreements under Article 8 of Chapter 159 of the General Statutes, and (iv) special obligation bonds issued by the county. (2012-73, s. 1.)

§ 153A-317.2: Reserved for future codification purposes.

§ 153A-317.3: Reserved for future codification purposes.

§ 153A-317.4: Reserved for future codification purposes.

§ 153A-317.5: Reserved for future codification purposes.

§ 153A-317.6: Reserved for future codification purposes.

§ 153A-317.7: Reserved for future codification purposes.

§ 153A-317.8: Reserved for future codification purposes.

§ 153A-317.9: Reserved for future codification purposes.

§ 153A-317.10: Reserved for future codification purposes.

Part 3. Economic Development and Training Districts.

§ 153A-317.11. Purpose and nature of districts.

The board of commissioners of any county may define a county economic development and training district, as provided in this Part, to finance, provide, and maintain for the district a skills training center in cooperation with its community college branch in or for the county to prepare residents of the county to perform manufacturing, research and development, and related service and support jobs in the pharmaceutical, biotech, life sciences, chemical, telecommunications, and electronics industries, and allied, ancillary, and subordinate industries, to provide within the district any of the education, training, and related services, facilities, or functions that a county or a city is authorized by general law to provide, finance, or maintain, and to promote economic development in the county. The skills training center and related services shall be financed, provided, or maintained in the district either in addition to or to a greater extent than training facilities and services are financed, provided, or maintained in the entire county. A district created under this Part is a special tax area under Section 2(4) of Article V of the North Carolina Constitution. (2003-418, s. 1; 2004-170, s. 38.)

§ 153A-317.12. Definition of economic development and training district.

(a) Standards. – The board of commissioners may by resolution establish an economic development and training district for an area or areas of the county that, at the time the resolution is adopted, meet the following standards:

- (1) All of the real property in the district primarily is being used for, or is subject to, a declaration of covenants, conditions, and restrictions that limits its use primarily to biotech processing, chemical manufacturing, pharmaceutical manufacturing, electronics manufacturing, telecommunications manufacturing, and any allied, ancillary, or subordinate uses including, without limitation, any research and development facility, headquarters or office, temporary lodging facility, restaurant, warehouse, or transportation or distribution facility.
- (2) The district includes at least two pharmaceuticals manufacturing or bioprocessing facilities occupying sites in the district containing in the aggregate at least 425 acres owned by publicly held corporations.
- (3) The bioprocessing and pharmaceuticals manufacturing facilities in the district employ in the aggregate at least 1,600 persons.
- (4) The district includes an industrial park consisting of at least 60 acres within a noncontiguous parcel of at least 625 acres now or formerly owned by an airport authority.
- (5) The district's zoning classifications permit the uses listed in this section.
- (6) All real property in the district is either zoned for or is being used primarily for pharmaceutical, biotech, life sciences, chemical, telecommunications, or electronics manufacturing or processing or allied, ancillary, or subordinate uses.
- (7) The district shall include a skills training center situated on a tract containing not less than eight acres, which facility shall be designed and staffed to provide relevant training to prepare existing or prospective employees of targeted industries for jobs in one or more of the pharmaceutical, biotech, life sciences, chemical, telecommunications, and electronics industries and allied, ancillary, or subordinate industries. The training center shall be completed within a reasonable period after the creation of the district.
- (8) At the date of creation, no part of the district lies within the boundaries of any incorporated city or town.
- (9) There exists a uniform set of covenants, conditions, restrictions, and reservations that applies to all real property in the district other than property owned by the federal, State, or local government.
- (10) There exists in the district an association of owners and tenants to which owners of real property representing at least fifty percent (50%) of the assessed value of real property in the district belong, which association can make the recommendations provided for in G.S. 153A-317.13.
- (11) A petition requesting creation of the district signed by owners of real property in the district who own real and personal property representing at least fifty percent (50%) of the total assessed value of the real and personal property in the district has been presented to the board of commissioners. In determining the assessed value of real and personal property in the district and the owners of real property, there shall be excluded: (i) real property exempted from taxation and real property classified and excluded from taxation and (ii) the

owners of such exempted or classified and excluded property. Assessed value shall mean the most recent values determined by the county for the imposition of taxes on real and personal property.

(b) Findings. – The board of commissioners may establish an economic development and training district if, upon the information and evidence it receives, the board determines that:

- (1) The proposed district meets the standards set forth in subsection (a) of this section;
- (2) Economic development of the county will be served by providing selected skills training in a facility designed specifically to address the needs of targeted industries such as pharmaceuticals, biotech processing, telecommunications, electronics, and allied, ancillary, or subordinate supplies or services to induce existing industries and targeted industries to improve and expand their facilities and new industries to locate facilities in the district, thereby providing employment opportunities for the residents of the county;
- (3) It is impossible or impractical to provide training facilities and services on a countywide basis to all existing and future employers in the county to the same extent as such training services are intended to be furnished within the district; and
- (4) It is economically feasible to provide the proposed training facilities and services in the district without unreasonable or burdensome tax levies.

(c) Report. – Before the public hearing required by subsection (d) of this section, the board of commissioners shall cause to be prepared a report containing all of the following:

- (1) A map of the proposed district showing its proposed boundaries.
- (2) A statement showing that the proposed district meets the standards set out in subsection (a) of this section.
- (3) A plan for providing the skills training center and training services to the district.

The report shall be available for public inspection in the office of the clerk to the board for at least four weeks before the date of the public hearing.

(d) Hearing and Notice. – The board of commissioners shall hold a public hearing before adopting any resolution defining a district under this section. Notice of the hearing shall state the date, hour, and place of the hearing and its subject and shall include a map of the proposed district and a statement that the report required by subsection (c) of this section is available for public inspection in the office of the clerk to the board. The notice shall be published at least once not less than one week before the date of the hearing. In addition, it shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the proposed district. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and the certificate shall be conclusive in the absence of fraud.

(e) Effective Date. – The resolution creating a district shall take effect at the beginning of the fiscal year commencing after its passage or such other date as shall be determined by the board of commissioners. (2003-418, s. 1.)

§ 153A-317.13. Advisory committee.

(a) Creation. – The board of commissioners, in the resolution establishing an economic development and training district, shall also provide for an advisory committee for the district. The committee shall consist of five members, serving terms as set forth in the resolution. The resolution shall provide for the appointment or designation of a chair. The board of commissioners shall appoint the members of the advisory committee as provided in this section.

(b) Membership. – Three of the five committee members shall represent the association of owners and tenants, as required by G.S. 153A-317.12(a)(10), and two members shall represent the county. Before making the appointments representing the association, the board of commissioners shall request the association to submit a list of persons to be considered for appointment to the committee. The association of owners and tenants shall submit at least two names for each appointment to be made and the board of commissioners shall make the appointments to the committee representing the association from the list of persons submitted to it by the association. Whenever a vacancy occurs on the committee in a position filled by an appointment by the board of commissioners representing the association of owners and tenants, the board, before filling the vacancy, shall request the association to submit the names of at least two persons to be considered for the vacancy, and the board shall fill the vacancy by appointing one of the persons so submitted.

(c) Advisory Duties. – Each year, before adopting the budget for the district and levying the tax for the district, the board shall request recommendations from the advisory committee as to the type and level of services, facilities, or functions to be provided for the district for the ensuing years. The board of commissioners shall, to the extent permitted by law, expend the proceeds of any tax levied for the district in the manner recommended by the advisory committee. (2003-418, s. 1.)

§ 153A-317.14. Extension of economic development and training districts.

(a) Standards. – A board of commissioners may by resolution annex territory to an economic development and training district upon finding that:

- (1) The conditions, covenants, restrictions, and reservations required by G.S. 153A-317.12(a)(1) that apply to all real property in the district, other than property owned by the federal, State, or local government, also apply or will apply to the property, other than property owned by the federal government, to be annexed.
- (2) One hundred percent (100%) of the owners of real property in the area to be annexed have petitioned for annexation.
- (3) The district, following the annexation, will continue to meet the standards set out in G.S. 153A-317.12(a).
- (4) The reasonably anticipated training needs of the existing companies in the area to be annexed and of new companies that may locate within the expanded area can be met by the skills training facility located in the district.
- (5) The area to be annexed is either contiguous to a lot, parcel, or tract of land in the district or at least 500 acres in the aggregate counting all parcels proposed for annexation. A property shall, for purposes of this section, be deemed to be contiguous notwithstanding that it may be separated from other property by a street, road, highway, right-of-way, or easement.
- (6) If any of the area proposed to be annexed to the district is wholly or partially within the extraterritorial jurisdiction of a municipality, then it shall be

necessary to first obtain the affirmative vote of a majority of the members of the governing body of the municipality before the area can be annexed.

(b) Report. – Before the public hearing required by subsection (c) of this section, the board shall cause to be prepared a report containing all of the following:

- (1) A map of the district and the territory proposed to be annexed showing the present and proposed boundaries of the district.
- (2) A statement that the area to be annexed meets the standards and requirements of subsection (a) of this section.

The report shall be available for public inspection in the office of the clerk to the board for at least four weeks before the date of the public hearing.

(c) Hearing and Notice. – The board shall hold a public hearing before adopting any resolution extending the boundaries of a district. Notice of the hearing shall state the date, hour, and place of the hearing and its subject and shall include a statement that the report required by subsection (b) of this section is available for inspection in the office of the clerk to the board. The notice shall be published at least once not less than four weeks before the hearing. In addition, the notice shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the area to be annexed. The person designated by the board to mail the notice shall certify to the board that the mailing has been completed, and the certificate shall be conclusive in the absence of fraud.

(d) Effective Date. – The resolution extending the boundaries of the district shall take effect at the beginning of the fiscal year commencing after its passage or such other date as shall be determined by the board. (2003-418, s. 1.)

§ 153A-317.15. Required provision or maintenance of skills training center.

(a) New District. – When a county creates a district, it shall provide, maintain, or let contracts for the skills training center for which the district is being taxed within a reasonable time, not to exceed one year, after the effective date of the creation of the district.

(b) Extended District. – When a territory is annexed to a district, the county shall provide, maintain, or let contracts for any necessary additions to the skills training center to provide the same training provided throughout the district to existing and new industries in the area annexed to the district within a reasonable time, not to exceed one year, after the effective date of the annexation. (2003-418, s. 1.)

§ 153A-317.16. Abolition of economic development and training districts.

A board of county commissioners may by resolution abolish a district upon finding that a petition requesting abolition, signed by at least fifty percent (50%) of the owners of real property in the district who own at least fifty percent (50%) of the real and personal property in the district based upon the most recent valuation thereof, has been submitted to the board and that there is no longer a need for such district. In determining the total real and personal property in the district and the number of owners of real and personal property, there shall be excluded: (i) property exempted from taxation and property classified and excluded from taxation and (ii) the owners of such exempted or classified and excluded property. The board shall hold a public hearing before adopting a resolution abolishing a district. Notice of the hearing shall state the date, hour, and place of the hearing and its subject and shall be published at least once not less than one week before the

date of the hearing. The abolition of any district shall take effect at the end of a fiscal year following passage of the resolution, as determined by the board. (2003-418, s. 1.)

§ 153A-317.17. Taxes authorized; rate limitation.

A county may levy property taxes within an economic development and training district, in addition to those levied throughout the county, for the purposes listed in G.S. 153A-317.11 within the district in addition to or to a greater extent than the same purposes provided for the entire county. In addition, a county may allocate to a district any other revenues whose use is not otherwise restricted by law. The proceeds of taxes within a district may be expended only to pay annual debt service on up to one million two hundred thousand dollars (\$1,200,000) of the capital costs of a skills training center provided for the district and any other services or facilities provided by a county in response to a recommendation of an advisory committee.

Property subject to taxation in a newly established district or in an area annexed to an existing district is subject to taxation by the county as of the preceding January 1.

Such additional property taxes may not be levied within any district established pursuant to this Article in excess of a rate of eight cents (8¢) on each one hundred dollars (\$100.00) value of property subject to taxation. (2003-418, s. 1; 2004-170, s. 39.)